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Department of State

OUTGOING TELEGRAM

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USMISSION USNATO PRIORITY
AMCONSUL LENINGRAD

UNCLAS STATE 204551

E.O. 12065: N/A

TAGS: SOPN, UR

SUBJECT: DEPARTMENT PRESS BRIEFING - JULY 31, 1981

FOR YOUR INFORMATION AND GUIDANCE, FOLLOWING ARE RELEVANT EXCERPTS FROM DEPARTMENT PRESS BRIEFING FOR JULY 29, 1981. SPOKESMAN WAS DEAN FISCHER.

Q. COULD YOU DEVELOP ANYTHING BEYOND WHAT THE SECRETARY SAID YESTERDAY ABOUT THE DRAMATIC BUILDUP OF SOVIET ARMS TO CUBA? AND, SPECIFICALLY, HAVING SOUNDED THE ALARM BELLS, WHAT ARE THE U.S. POSSIBLE REACTIONS AND RESPONSES, PLEASE?

A. WITH REGARD TO YOUR FIRST QUESTION, NO, I DON'T HAVE ANY ELABORATION ON WHAT THE SECRETARY SAID. HE CITED, I THINK QUITE CLEARLY, HIS CONCERN ABOUT THE BUILD-UP. I DON'T HAVE ANY DETAILS TO SUPPLY YOU WITH TODAY. AS TO WHAT THE UNITED STATES RESPONSE WOULD BE, I THINK YOU WOULD AGREE THAT IF WE HAD ONE, IT WOULD BE PREMATURE AND INAPPROPRIATE TO ANNOUNCE IT FROM THIS PODIUM.

Q. SAME LINE OF QUESTIONING?

A. YES.

Q. UNDER SECRETARY BUCKLEY SAID, IN RESPONSE TO A QUESTION OF WHAT WAS THE THREAT THAT WAS FACED BY ARGENTINA, HE SAID CUBA. CAN YOU ELABORATE AT ALL ON THAT STATEMENT?

A. NO, I CANNOT. I DON'T HAVE ANYTHING TO ADD TO THAT.

Q. IT'S A LITTLE DIFFICULT TO CONCEIVE. I WONDER IF YOU COULD EXPLAIN WHAT HE MEANT OR IF YOU COULD GET AN ANSWER TO THAT. WHEN HE SAID VENEZUELA, ARGUABLY, THAT MADE SOME SENSE; BUT ARGENTINA, THAT WAS QUITE STARTLING.

A. I HAVE NOTHING TO ADD TO WHAT SENATOR BUCKLEY SAID.

Q. CAN YOU TAKE WHAT HE MEANT?

A. ALL RIGHT.

Q. DEAN, MAY I JUST FOLLOW UP ON THAT EARLIER ONE? DO YOU HAVE ANY SPECIFICS ABOUT WHAT HAIG SAID? FOR EXAMPLE, HE SAID, THE SOLID EVIDENCE IS THAT AN AMOUNT WILL BE TRANS-SHIPPED TO CENTRAL AMERICA. THEN, LATER ON, OUTSIDE IN THE HALLWAY, HE TALKED ABOUT NICARAGUA AND EL SALVADOR.

A. RIGHT.

Q. I KNOW BILL HAD, WHAT WAS IT 40,000 TONS THE OTHER DAY?

A. YES.

Q. DO YOU HAVE ANY OTHER SPECIFICS THAT COULD SORT OF FLESH OUT WHAT HE SAID?

A. NONE THAT I'M IN A POSITION TO DISCLOSE TODAY.

Q. DEAN, DO YOU HAVE ANYTHING ON THE SITUATION IN POLAND?

A. ON POLAND, YOU'RE PRESUMABLY REFERRING TO WHAT, THE REPORTS ABOUT FOOD STRIKES, ET CETERA?

Q. YES.

A. WE'RE CLEARLY FOLLOWING DEVELOPMENTS CLOSELY IN POLAND, AND PARTICULARLY, THE SERIOUS FOOD STORAGES

THERE. OUR RECENT ACTION IN APPROVING A DOLS 55 MILLION PUBLIC LAW 480 PROGRAM OF CORN SALES TO POLAND I THINK ATTESTS TO THAT.

ON THE QUESTION OF DEMONSTRATIONS, WE WOULD NOTE THAT THE POLISH PEOPLE HAVE SHOWN GREAT DISCIPLINE THUS FAR IN THE FACE OF DAUNTING ECONOMIC PROBLEMS. WE HAVE GREAT CONFIDENCE THAT THEY WILL CONTINUE TO DISPLAY SUCH DISCIPLINE, AND WE HAVE NO EXPECTATION THAT THE CURRENT DEMONSTRATIONS WILL RESULT IN VIOLENCE. THE POLES KNOW VERY WELL THAT VIOLENCE IS NO SOLUTION TO THEIR PROBLEMS.

Q. DEAN, IS THERE ANY OTHER ASSISTANCE UNDER CONSIDERATION BEYOND THE FOOD AID RECENTLY APPROVED?

A. YOU MEAN, OTHER TYPES OF FOOD AID?

Q. OTHER TYPES OF ASSISTANCE OF ANY KIND.

A. I DON'T HAVE ANYTHING I CAN GIVE YOU ON THAT AT THIS POINT, OTHER THAN TO NOTE THAT WE ARE CONTINUING TO WATCH THE SITUATION CLOSELY, AND ARE ATTEMPTING TO COORDINATE OUR EFFORTS WITH OTHER WESTERN GOVERNMENTS.

DIANE?

Q. NEW SUBJECT. I HAVE THREE QUESTIONS FOR YOU ON BUTTER, IF I MAY. WHAT IS THE STATE DEPARTMENT POSITION ON THE SALE OF BUTTER TO THE SOVIET UNION?

A. RIGHT. WHERE DO I FIND BUTTER? (LAUGHTER) PROBABLY, IT'S A MISCELLANEOUS SUBJECT.

Q. UNDER NON-LETHAL WEAPONS. (LAUGHTER)

A. THE CABINET, AS YOU PROBABLY KNOW, HAS NOT APPROVED ANY PROPOSAL TO SELL SUBSIDIZED U.S. BUTTER DIRECTLY OR INDIRECTLY TO THE SOVIET UNION. THE VARIOUS ALTERNATIVES TO DISPOSAL OF THE SURPLUS BUTTER ARE STILL UNDER REVIEW WITHIN THE ADMINISTRATION. NO FINAL DECISION HAS BEEN MADE ON THE BEST WAY TO HANDLE THE PROBLEM.

Q. IS THERE A STATE DEPARTMENT POSITION ON THE SALE OF BUTTER?

A. BEYOND STATING WHAT I DID, THAT IT IS STILL UNDER

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REVIEW, I DON'T HAVE ANYTHING FURTHER FOR YOU ON THAT.

Q. BUT WHY IS THIS A SPECIAL CASE WHEN THE UNITED STATES WILL SELL GRAIN TO THE SOVIET UNION? WHAT IS THE DIFFERENCE BETWEEN SELLING GRAIN AND SELLING BUTTER?

A. I DON'T KNOW THAT I COULD ADDRESS THE QUESTION IN QUITE THOSE TERMS EXCEPT THAT WE TRY TO CONSIDER THESE SITUATIONS ON A CASE-BY-CASE BASIS.

Q. BUT HER QUESTION SEEMS TO HAVE AN EXCELLENT POINT BECAUSE BLOCK SAID ON A TELEVISION PROGRAM JUST A SUNDAY OR TWO AGO THAT HE PERSONALLY FAVORED FINDING WAYS TO SELL THE BUTTER, AND YOU SAY THE THING IS STILL UNDER REVIEW IN THE CABINET. DOES THAT MEAN THAT SOMEBODY ELSE IN THE CABINET, INCLUDING THE STATE DEPARTMENT, IS OPPOSING HIS VIEW?

A. I THINK I'LL JUST LET IT STAND WHERE I DID.

Q. CAN I JUST FOLLOW THAT UP? DO YOU HAVE THE IMPRESSION THAT ANY DECISION IS GOING TO BE REACHED SHORTLY ON THIS?

A. I SIMPLY DON'T KNOW THE CURRENT STATUS OF THE REVIEW.

Q. --BEFORE THE BUTTER BECOMES RANCID?

Q. TO PUT IT IN ENGLISH ONE MORE TIME, ARE YOU SAYING FLAT OUT THAT THE U.S. WILL NOT SELL TO NEW ZEALAND IF NEW ZEALAND IS GOING TO SELL IT TO THE SOVIET UNION?

A. I SAID THAT WE WOULD NOT SUPPORT AN ARRANGEMENT WHICH WOULD ALLOW SUBSIDIZED U.S. BUTTER OR BUTTER PRODUCTS TO REACH THE SOVIET UNION.

Q. BUT YOU DON'T CARE IF NEW ZEALAND SELLS THEIR BUTTER TO THE SOVIET UNION AND KEEP THE U.S. BUTTER FOR DOMESTIC USE?

A. I'M ON QUITE A BUTTERY SLOPE HERE. I REALLY DON'T HAVE A SPECIFIC ANSWER I CAN GIVE YOU ON THAT.

Q. CAN YOU LOOK INTO THAT? I HAD A VERY SENIOR OFFICIAL IN THE DEPARTMENT OF AGRICULTURE TELL ME YESTERDAY THAT EVERYTHING WAS SET TO GO ON THIS DEAL EXCEPT THAT HAIG WAS HOLDING IT UP. THAT'S WHAT THEY'RE SAYING OVER THERE, SO IF YOU COULD LOOK INTO THAT.

A. AS I SAY, IT IS UNDER REVIEW, AND NO DECISION HAS BEEN MADE AS YET.

Q. BUT YOU SAID THAT STATE IS OPPOSED TO ANY SCHEME THAT WOULD ALLOW SUBSIDIZED BUTTER TO REACH THE SOVIET UNION, IS THAT CORRECT?

A. YES, IN SPECIFIC RESPONSE TO HER QUESTION ABOUT NEW ZEALAND, YES.

Q. WAIT A MINUTE. STATE? YOU MEAN THE CABINET.

A. I'M SORRY. WHAT DID YOU SAY?

Q. I THOUGHT YOU HAD SAID THE STATE DEPARTMENT WAS OPPOSED.

A. I SAID WE DO NOT SUPPORT AN ARRANGEMENT WHICH WOULD ALLOW SUBSIDIZED U.S. BUTTER --

Q. YOU'RE SPEAKING FOR STATE, NOT --

A. YES.

Q. SO IS IT CORRECT, THEN, THE STATE DEPARTMENT IS THEN OPPOSING THIS INSIDE THE CABINET?

A. I'LL JUST LET THE STATEMENT STAND WHERE IT IS. UNTIL THE REVIEW IS COMPLETED, I THINK IT IS KIND OF INAPPROPRIATE TO TRY TO TALK ABOUT IT IN TERMS OF WHO IS SUPPORTING IT OR WHO IS NOT.

Q. ON A PHILOSOPHICAL BASIS, THOUGH, DEAN, CAN YOU GIVE ME SOME IDEA OF THE KIND OF CONSIDERATION THAT WOULD GO INTO THE SALE OF BUTTER AS OPPOSED TO THE SALE OF GRAIN? FOR INSTANCE WHAT KINDS OF DISTINCTIONS WOULD YOU BE EXAMINING?

A. I'M JUST NOT REALLY AT LIBERTY TO TRY TO MAKE A DISTINCTION ON THOSE TWO, SO I THINK I HAD BETTER JUST LEAVE IT THERE.

Q. WHAT ABOUT PIPE-LAYING EQUIPMENT?

A. I DON'T RECALL. DID THIS QUESTION COME UP YESTERDAY IN THE PIPE-LAYING EQUIPMENT?

Q. NO.

A. IT DID NOT?

Q. NO, IT CAME UP IN THE POST THIS MORNING.

A. YES. WELL, THE SECRETARY, AS YOU PROBABLY KNOW, DID INDICATE THAT WE WERE TRYING TO DEVELOP SOME ALTERNATIVE ENERGY PROPOSALS. IF YOU'RE SPEAKING ABOUT THOSE, I HAVE SOMETHING I CAN GIVE YOU. IF YOU'RE SPEAKING ABOUT CATERPILLAR EQUIPMENT SPECIFICALLY, I HAVE NOTHING TO ANNOUNCE.

Q. WAS THE CATERPILLAR DEAL APPROVED?

A. I DON'T KNOW THAT IT HAS BEEN APPROVED YET. I'VE NOT HEARD THAT DECISION.

Q. MY SPECIFIC QUESTION WAS ON THE CATERPILLAR DEAL.

A. I HAVE NOTHING TO ANNOUNCE TODAY.

Q. SO YOU CAN'T RESPOND TO THE QUESTION OF HOW IT WON'T RELATE TO THE DEAL WITH THE GERMAN PIPELINE AND SO ON? IT SEEMS THERE IS SOME CONFIDENCE EXPRESSED HERE THAT THIS WILL NOT BE USED FOR THAT EFFORT -- SOURCES FROM THE STATE DEPARTMENT. I WAS WONDERING HOW THEY ARRIVED AT THAT CONCLUSION? YOU DON'T HAVE ANYTHING ON IT?

A. I DO NOT, NO.

Q. DOES THE SECRETARY HAVE ANY ALTERNATE ENERGY PROPOSAL?

A. AT OTTAWA, HE, THE PRESIDENT, AND OTHER EUROPEAN LEADERS DISCUSSED WHETHER THERE MIGHT NOT BE SOME FEASIBLE ALTERNATIVE ENERGY PROPOSALS. THE PRESIDENT OFFERED TO WORK WITH THE EUROPEANS TO SEE WHETHER OR NOT THERE MIGHT BE ALTERNATIVES WHICH MIGHT BETTER SERVE THEIR LONG-TERM INTERESTS.

AT THE PRESENT TIME WE'RE DOING THE GROUND WORK IN PREPARATION FOR CONTINUED CONSULTATIONS WITH OUR EUROPEAN

FRIENDS AND ALLIES.

Q. HAVE THEY SHOWN ANY INTEREST IN THESE ALTERNATIVES?

A. I CAN'T REALLY ADDRESS THAT OTHER THAN TO REPEAT THAT THIS ISSUE WAS DISCUSSED IN OTTAWA. WE HAVE NOT YET FINISHED OUR INITIAL ASSESSMENT BECAUSE THE DETAILS ARE ONLY BEING WORKED OUT NOW. BUT IN GENERAL TERMS, WHAT WE ARE TALKING ABOUT ARE WAYS TO IMPROVE THE COMMERICAL COMPETITIVENESS, THE SECURITY OF SUPPLY, AND THE AVAILABILITY OF COAL, OIL, AND NON-SOVIET GAS,

AS WELL AS THE MEANS TO PROMOTE INCREASED RELIANCE ON NUCLEAR POWER.

Q. DEAN, IF THE UNITED STATES IS ADVOCATING ALTERNATIVE SOURCES OF ENERGY AGAINST THE PIPELINE DEAL WITH THE SOVIETS, WOULD THE ADMINISTRATION, THEREFORE, BLOCK THE CATERPILLAR PIPE-LAYING?

A. WOULD THE ADMINISTRATION BLOCK --

Q. IF WE'RE PUSHING ALTERNATIVE ENERGY, WOULDN'T IT BE AXIOMATIC THAT WE WOULD BLOCK THE CATERPILLAR DEAL?

A. NO, I DON'T THINK SO, NECESSARILY. AS I SAID IN CONNECTION WITH THE EARLIER QUESTION, WE TRY TO CONSIDER THESE THINGS ON A CASE-BY-CASE BASIS, AND THERE ARE VARYING CONSIDERATIONS THAT HAVE TO BE TAKEN INTO ACCOUNT.

Q. YOU DON'T HAVE THE INFORMATION THERE THAT THAT DEAL WAS APPROVED BY THE APPROPRIATE NSC COMMITTEE? I UNDERSTOOD THAT HAPPENED YESTERDAY.

A. WHAT I'M SAYING, JOHN, IS THAT I'M NOT AWARE ANY DECISION HAS BEEN ANNOUNCED.

Q. DEAN, BACK ON THE BUTTER THING, AS A MATTER OF POLICY, THE SECRETARY OF STATE WAS QUITE EXPLICIT DURING HIS CONFIRMATION HEARINGS, AND SUBSEQUENTLY, ABOUT THE UN-WISDOM OF EMBARGOES INVOLVING SPECIFIC SECTORS OF THE AMERICAN ECONOMY SUCH AS AGRICULTURE.

A. RIGHT.

Q. IT WAS BROUGHT UP SPECIFICALLY SEVERAL TIMES. DOES THIS OPPOSITION TO A BUTTER DEAL THAT MIGHT FIND ITS WAY EVENTUALLY TO THE SOVIET UNION REPRESENT A CHANGE OF HEART ON HIS PART?

A. ON THE PART OF THE SECRETARY?

Q. YES.

A. I JUST DON'T WANT TO SAY SPECIFICALLY WHAT THE CONDITION IS BECAUSE WE SIMPLY HAVEN'T REACHED A FINAL DECISION ON THIS; AND BEYOND SAYING THAT THESE THINGS HAVE TO BE CONSIDERED ON A CASE-BY-CASE BASIS, I JUST HAVE NOTHING FURTHER TO ADD.

Q. ACCORDING TO WHAT YOU JUST READ, THE CABINET MAY NOT HAVE FOUND ITS WAY TO A DECISION, BUT THE STATE DEPARTMENT HAS.

A. AS I INDICATED, IN RESPONSE TO THE QUESTION ABOUT NEW ZEALAND, THAT WAS A STATE DEPARTMENT POSITION, YES.

Q. AND THIS STATE DEPARTMENT POSITION, DOES IT NOW

REPRESENT A CHANGE OF HEART ON THE PART OF THE SECRETARY ABOUT THE WISDOM OF SELECTIVE TRADE EMBARGOES?

A. NO, I WOULDN'T CHARACTERIZE IT THAT WAY.

Q. MAYBE YOU CAN EXPLAIN WHY IT IS NOT, BECAUSE THAT IS THE WAY IT APPEARS TO BE ON THE FACE OF IT.

A. I KEEP SAYING THAT THERE ARE A LOT OF CONSIDERATIONS THAT HAVE TO BE TAKEN INTO ACCOUNT, AND THOSE CONSIDERATIONS VARY FROM ONE SITUATION TO ANOTHER. BEYOND THAT, I JUST DON'T HAVE ANY FURTHER INFORMATION ON IT.

Q. I WANTED TO KNOW ABOUT THE POSSIBLE INCREASE IN THE ACTIVITY IN POLAND, HAS THE STATE DEPARTMENT NOTED ANY INCREASE IN ACTIVITY OF THE SOVIET UNION AROUND THE POLISH BORDER? AND, IF SO, IS THERE INCREASED CONCERN ABOUT THE CAUSE OF IT?

A. NO. I HAVE NOT BEEN MADE AWARE OF ANY REPORTS OF INCREASED SOVIET MILITARY ACTIVITY. HAIG